P 50 E

App. F. IX-4

Previous References

1936-7
(C.S.)

File No. 11-36

Serial Nos. 26, 75, 82, 103, 187, 200, 207, 218, 222, 219, 257.

PRESERVED

Letter References
C.S. 56-ell-1-5

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1 leven.

Part B for Apl 36

SUBJECT.

Draft rule regarding limit of membership of Cooperative Societies

D 8263 of 26-4-38

To Compiler m.g.

WD 0295—GPB—22,500—13-8-37

notify the

(1)

GENERAL AND REVENUE SECRETARIAT. 3509

(G.S.)

NOTES.

File No. 11-36

FILE HEADING.

Recommendations of the Committee on Cooperation in Mysore

FROM The Registrar of Cooperative Societies in Mysore

No. 5500 Dated 5-1-31 Received 7-1-31

Diary No. 3879 Enclos. — Spare copies — Serial No. 26

BRIEF ABSTRACT OF LETTER

Recommends that the suggestion of the Committee limiting the membership of Societies to between ~~1500~~ 500 and 2000 may be accepted

NOTES AND ORDERS.

1) The Committee recommend that where the membership of the Bank exceeds a certain limit of 500 or 2000 further admissions may be stopped till need of new applicants being served by the formation of additional societies and the status of such societies defines to avoid overlapping

2) The dissentient note of Messrs. Krishnaraja and Hosmani lays stress on the unco-operative

NOTES—First Sheet

character of the proposal and refers to the opinions of the Bombay Provincial Committee for support of their views. The dissentient Note also refers to Mr. Anders Orne who says that it is a simple folly to try to meet the needs of a big city by means of a net of small societies with local and very limited spheres of activity. The Note suggests the introduction of a representative system by which the problem of municipalities has been solved in Europe & Japan

(5) The Provincial Cooperative Conference is also opposed to the recommendations of the Committee and a resolution "that the recommendation of the Mysore Committee providing a limit to the number of members of an urban Credit Cooperative Society be not accepted as it is opposed to the principle of non-agricultural credit Cooperation and is not only unnecessary but also positively harmful to the true movement since it prevents by artificial means the natural development of societies into big institutions

(6) The Sri Krishnarajendra Cooperative Society have also opposed the limitation and have stated that "it is desirable to have territorial limitation rather than limitation of membership and that even if a rule should be passed fixing up the number of members it is desirable that the rule should not be made applicable to such of the Societies in which the

Page 235-37 of Report

Limitation of membership of Cooptation

3529

Serial No.

Part 37 of Paper

existing number already exceed the maximum prescribed".

5) While reviewing the Report of the Committee on Cooperation the Editor of the Indian Journal of Cooperation has stated that "Cooperative opinion in this (Madras) province is in agreement with this (minority) view" of introducing the representation system.

6) The Registrar however states that till this representative system is adopted the recommendation of the Committee may be adopted.

Submitted for orders

14/2/37

7) This is a controversial subject. The note of dissent makes a well reasoned plea for not restricting the number of members in Urban Banks. The statement in the Registrar's report that the management of some of the Agri-Urban banks is unwieldy and the interests of the members are not properly looked after is not supported by facts and figures.

Gl. Secy 19.2.37

GENERAL SECRETARY 19 FEB 1937 158

NOTE—Contn. Sheet.

WD 0117—GPB—80,000—8-9-36

Limiting the membership of Urban Co-operative Societies to 1,500.

File No.	11	of 193 6	General and Revenue Secretariat

Serial No.

Banking

9) The Registrar may perhaps ask Societies in Bangalore & Mysore which have a membership of 1500 & more not to take more members without his approval. If any of them propose to add to membership he may examine the cases and seek advice of Govt. This will perhaps do. Ms

23/7/37

Ms
29.7.37

Secd member

9) We may get a list of the institutions, the membership of which has reached or is likely to reach the limit proposed

Secy
2/3/37
Secy
Ms
8.3.37

10) Draft Letter
Ms
9/3/37

11) Issued
Ms
9.3.37

Secy To the Registrar of Co-op. D 6023. 12-3-37. 75

Requests to send a list of cooperative institutions in which the membership has reached or likely to reach the limit as proposed

Secy A-10
Ms
12/3/37

OFFICE OF THE SECOND MEMBER OF COUNCIL. 2 MAR 1937 NO 592

GOVERNMENT PRESS

Limit of membership of Cooperative Societies

3509 5299

General and Revenue Secretariat — File No. 11 of 1936. — [App. F. III—2

Serial No.

Letter No 7798 dated 27-3-37 from the Registrar Co. forwarding the name of Co-operative Societies whose membership is likely to exceed the limit of 1500 fixed by the Committee

1) The limit number is likely to exceed in the case of 5 societies in Hyderabad city, 4 Societies in Bolarum city and 1 Society in Shamshabad Taluk. Subs with reference to Para 9 above

2/4/37 Sd 13) The number of societies whose membership has reached 1500 is only 10. There does not seem to be any necessity at present to restrict either the membership or the area of operation

General Secy 3.4.37

14) There seems to be no need to restrict the membership. But as regards the territorial jurisdiction, it would be wholesome to have a limit. This will to some extent avoid overlapping of work, and will also indirectly function as a check on any unhealthy increase of membership.

Second M)

5/4/37

5.4.37

GENERAL SECRETARY. 3-APR. 1937 1064

BEFORE THE SECOND MEETING COUNCIL. 1937 No. 6.9.45

NOTE—Contn. Sheet.

WD C417—GPL—30,000—8-9-36

6

File No. / of 193 . | General and Revenue Secretariat

Serial No.

15) Govt are in agreement with the Committee as regards the principles underlying their recommendations. They are however of opinion that any restriction as to the maximum membership of Societies should be on a territorial, rather than a numerical basis. The special circumstances of Societies which have a fairly homogeneous membership have to be considered & the Registrar at present does not call for the issue of any hard and fast rules in the matter. The Registrar should watch the development of those societies which have reached or which are on the point of reaching the limits prescribed by the Committee and have recourse again at that time as occasion arises.

6/4(37)

WW
7/4

7.4.37

16) Draft Letter

13/4/37

17) Issued
13-4-37

5299

General and Revenue Secretariat — File No. 11 of 1936. [App. F. III—2

Serial No.	
103	G.O. No D 7033 dated 22-6-37 laying down in regard to limit of membership of Co-operative Societies
	18) Kind reference is invited to item 10 in the G.O proposing orders on the chapter III of the Report wherein it has been stated that the Registrar should be empowered to stop further admission of any particular institution where membership has become unwieldy etc. and that action will be taken to frame rules empowering him in this behalf. If approved a draft rule will be called for. Dft Rules for consideration
	19) Secy A.S.G. 27.9.37
	Fwd 28/9/37
	20) Issued 28.9.37
	Issued No D 2797 dated 2/10/37
	Letter No 2852 dated 8/1937 from the Registrar of Co-op. forwarding the draft rule re the limit of membership of Co-operative Societies
	21) The draft rule may kindly be published and objections

NOTE—Contn. Sheet.

WD C417—GPB—80,000—8-9-36

Serial No.

called for. Of notification to date. The draft rule may be put together by the Law Section.

14/(10)37

22) I am not sure if the draft rule proposed by the Govt is not a little too drastic. The fact that he could exercise this power only in the case of those societies whose membership has become clearly unwieldy should I think be made explicit. Further, there should I think be a provision to hear objections before the Govt passes order under this rule. An appeal to Govt against the order of the Govt may also be provided

Secy L.S.G. 14.10.37

23) A modified one may be proposed as suggested above -

Secy 17.10.37

14/(10)37

The following modified rule is suggested

Limit of membership of Cooperative Societies

2032

General and Revenue Secretariat | File No. 11 of 1936 | [App. F. III—2

Serial No.

for consideration as directed in Para 23 above

"The Registrar may, in his discretion, limit the maximum strength of membership in any Cooperative Society, whose membership is clearly unwieldy and Communicate such limit to the society in writing for stopping further admissions after hearing objections, if any, from the Society Concerned in the matter. It shall not then be open to the Society to admit any person to membership beyond the limit so fixed by the Registrar.

Any Society aggrieved by the order of the Registrar may, however, appeal to Government within one month from the date of Communication of the order."

Submitted for orders

20/10/37

25) The draft rule may therefore be worded thus:

"In the case of any society the membership of which has, in the opinion of the Registrar, become unwieldy, the Registrar may, after hearing the objections if any, of the Society Concerned direct that further admissions be stopped or fix the maximum

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-2-37

Limiting the membership of urban co-operative societies

2613/37 K

10

File No.	of 193 .	General and Revenue Secretariat

objects of membership for the paid Society. Or an order passed under this Rule shall be subject to Govt. within two months from the date of the communication to the Society concerned."

Secy L.S.G. 21.10.37

2b) The proposed Rule under may be approved.

OR 23/10/37

(Member) 23.10.37

2) Rule 27/10/37

OR 27/10/37

27.10.37

3) Draft notification is sent for appl. The file may perhaps be sent to the Law Secretary for kind scrutiny of the proposed draft rule (Para 2b) the member

The draft Rule has been approved by

Dkg 28/10/37 Bore

4) Law Secretary may scrutinise papers

OR 28/10/37

(Law Secretary)

29.10.37

135 Law

(61)

2 11

General and Revenue Secretariat | CS File No. 11 of 1936. | [App. F. III—2

Serial No.

31) As the rule is intended to apply only to urban societies, its scope may be made clearer by putting in word 'urban' between the words 'any' and 'society' in the 1st line of the Rule.

The 2nd sentence of the proposed rule may commence as follows:- "From an order ----"

BKR 1-11-37

Under Secy Secretary

32) The amendment may be accepted

Secy A.S.G. 2-11-37

33) 3/11/37

Issued as amended by D. 11.37

200 do. The Compiler Mysore Gazette D 3455. 9-11-37

Notifies draft rule regarding the limit of membership in urban Cooperative Institutions

Copy to Registrar of C.S. D 3456. 9-11-37

Sir B Kile 15/11/37

15/11/37

NOTE—Contn. Sheet.

SECY. LOCAL SELF GOVT 3. NOV. 1937 GOVT OF MYSORE

TYPING SECTION 5 NOV 1937 GENL & REV. SECTT.

13 NOV. 1937 GENERAL BRANCH

WD 0234-GPB—30,000—13-8-37

Draft rule re the limit of membership in Cooperative Credit

2032 / 2672

File No. 11 of 193 6	General and Revenue Secretariat
	3508
	3571
	3716

Letter No 522 dated 17-11-37 from the Secy Mysore Cooperative Institutions supporting an amendment to the draft rule.

4) Submitted with reference for perusal. Their objections / suggestions will be considered after the period calling for the same is over

22/11/37

Done

168 / 2514

For Registrar
22/11/37

Letter No 9458 dated the 27th Dec 1937 from the Secretary The City Cooperative Bank Ltd. Mysore stating their objection to the draft rule 33 and 6 B.

Letter No 227 dated 5/1/38 from the Secretary Granite Cooperative Society Ltd. Tumkur giving their views on draft rules 33 & 6B proposed

35) A statement containing the objections received against the rule is placed below for perusal The several objections received are noted hereunder

1) Restriction in the growth by limiting membership will remove the beneficial aspect of economy & efficiency of management

2) The proposed rule does not make exception to State Societies. The Committee do not recommend limit of membership in state societies

3) Small societies cannot maintain well paid expert efficient staff, and get expert local advice

Serial No.

(4) There will be heavy fall in business and consequent loss in society, which could otherwise work well, which will necessitate the retrenchment of staff.

5) There is no necessity to limit membership in limited liability societies.

6) Official interference in this matter is detrimental to the growth of healthy Cooperation

7) Mutual ~~interference~~ interest and personal contact most essential requisite, and not possible to in large towns and cities. Specially in Consumers' or producers' Society Cooperation not a club or partnership but a substitute for Capitalism

8) It is only when the consumers are large local service to members can be effected

9) Unless there is a large body to form an effective public there is no scope to understand the value of vote

10) Petty societies cannot successfully compete with private money lenders or traders much less with giant business

11) The discretion of the limit may be left to the Society

12) Limit of membership will necessitate the removal of members resulting in the withdrawal of deposit.

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-9-37

Limit of membership in Coop Societies

111

2032 3508 3716
2672 3571

61 File No. 11 of 1936. | General and Revenue Secretariat

36) The steps are the suggestions made to remedy the defects found in the unwieldy membership of Societies
1) system of division of Society into wards.
2) the introduction of a body of representative Assembly between the shareholders and the Committee
3) Formation of branches of societies where membership is large.

37) Mr. K. Srikantiah. Ex Secretary of the B'lore Central Coop. Bank states that the object of the limit of membership will be automatically gained if the rule of restriction of multiple membership is enforced.

38) It is submitted that the policy of Govt has been embodied in Para 10 of the G.O dated 31-7-37. The limit of membership will no doubt present certain difficulties mentioned above but the formation of branches or wards or the introduction of intermediate bodies between the large body of shareholders and the Committee of management may to a certain extent ease the situation. As Mr. Srikantiah has expressed it is possible that the object of this rule will be automatically gained in this particular by the introduction of the rule regarding multiple membership. In view of the objections expressed against the limit of membership of Societies and the possibility of automatic removal

2034 - 26 - 3506 - 55 11 - 37.

Limit of membership of Societies (1)

General and Revenue Secretariat | 65 File No. 11 of 1936. | [App. F. III—2

Serial No.

of members by the introduction of the rule requiring multiple membership it is for consideration and order whether it is not desirable to wait and see the development for some time or whether instead of ~~such~~ authorising the Registrar to ~~restrict~~ limit membership he may be authorised to direct the unwieldy societies to form themselves into wards or branches

Subsidiary for order

17/3/38

31) There seems to be force in the argument, put forth by most societies, that restriction of membership leads to uneconomical management; the more the strength, the smaller will be the incidence of charges regarding supervision, staff etc. The capital will also be greater, increasing in its wake the turnover & the profits. None of the objections Enumerated above come under this Category.

32) In lieu of numerical restrictions, territorial restrictions may perhaps be imposed, which would tend to curb the tendency of societies becoming unwieldy; Even this may not be advisable

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-8-37

on principle, the organisation being allowed to develop and grow to the maximum proportion possible. Such growth does not seem to be intrinsically bad, provided there is efficient organisation and good management. In case of societies having a large number of members branches may be allowed to be opened, as e.g. in the case of the Chamarajapuram Co-op. Society in Mysore City.

4) In the case of Stores societies particularly, any limitation regarding membership does not seem to be advisable.

5) The institution of representative assemblies, to function between the shareholders on the one hand and the Committee of Management on the other, does not also appear commendable.

(Sd) A.S.G. 21/3

6) Full powers to Registrar of Co-op Societies

Limit of membership of Cooperative Bank

3716

17

General and Revenue Secretariat | 65 File No. 11 of 193 6 | [App. F. III—2

Serial No.

SECOND MADRAS VIGIL.
22 MAR 1938
No. 7027

on officially for favourable remarks on the objections received to the proposed rule

DR
22.3.38
115/3/3

44) (11 members)

MM
23/3/38

45) Lr no 281/1937-3 & 4) 25.3.1938
Forwarded with compliments to the Registrar of Coop Societies in my Secn

Secretariat
25
25 3 38
115/25/3

Office of the Registrar of Co-operative Societies
26 MAR 1938
No.

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-8-37

General and Revenue Secretariat | File No. 89-4-38 of 193 . | [App. F. III—2

Serial No.

20 8193 Sec 17 file

Returned with compliments.

46) The Government have in their Order No.D.1113/C.S. 11-36-144 dated 31-7-37 already accepted the principle underlying the recommendations of the Co-operative - Committee to restrict overgrowth of membership in Co-operative Societies.

47) That there should be a limit to membership in Co-operative Societies even where the liability of the members is limited is not only a widely accepted theoretical principle, but has been felt as necessary in practice as can be evidenced by the fact that all the first rate institutions in our State which have bulky membership have of their own accord been very much limiting new admissions into them for no other reason than to save the institutions from becoming unwieldy. Indeed - complaints have been often received in the Department from intending members from barring the doors against them by the Directors of those institutions. While it is true that large membership would in a way increase th resources of the institution and enable it to have a pa management at a relatively cheap cost, it by no means leads to the conclusion that there should be no limitation to the growth of membership at all, and that every growth adds to the strength of the institution. On the other hand, it may easily be conceived that oftentimes great numbers, instead of forming the strength of the institution, may constitute its weakness. The resources of a Co-operative society do not so much depend upon the number of its members(unless those members also bring into the society large funds rather than take the

NOTE—Contn. Sheet.

WD.0284—GPB—80,000—13-8-37

P.T.O.

them away from it) as on the credit it has built up by the efficiency of its management, the selectivity of its members and the regularity of its transactions. These could be achieved only by a limited select - membership. An unduly large body of members affords large scope for irregularities and the practice of fraud; and where supervision and control lies mainly with an honorary body of workers as in a Co-operative Institution, a personal touch between the institution, the members and the honorary workers is invaluable. Further, if there should be no such restriction, and with the enforcement of the rule against multiple membership, it could be easily seen that the bigger institutions will soon swallow up all the smaller institutions, and the latter would cease to exist. I am therefore of opinion that while growth of member- ship up to some point in every co-operative insti- tution should be welcome in order to strengthen its resources and to secure economy and efficiency of - management, a growth beyond that point should be - restricted in the interets of the institutions them- selves and the public. Some of our big institutions have felt this, and have restricted growth in their own ways. The premier primary institution, the Bangalore City Co-operative Bank has for instance - recently sought to solve this problem in a very - desirable manner.

The next point to consider is whether when a society overgrows the desirable limit, it should seek a remedy by establishing branches. Except for a - Stores Society where this may be an advantage and permissible, this would have all the objections of an

Serial No.

an unwieldy society. I may well reproduce here some of the arguments urged against it by a special Committee appointed by the Bangalore City Co-operative Bank to consider the question of formation of Branches.-

1."The Scheme is cast on the lines of a Joint Stock enterprise affording credit not only to its members but also to other people and relying for efficiency on a large and well-paid executive."

2. "Even after providing for disposal of ordinary matters by local Advisory Committees, it leaves to the Central Board of Management more work than may fairly be expected in a body of honorary workers."

3."Members of the separate areas would send delegates to the Annual Meeting and would not attend in person and to this extent the organisation would - diverge from an important feature of the co-operative movement; namely that the members should be a compact body each acquainted with as many of the others as possible."

4. "The Central Board of Management would have to exercise some kind of supervision over the work of the Local Advisory Committees and this might lead to - friction and jealousy as between local groups."

4P To mention other reasons against it, the true line of development for Co-operative institutions is for small independent autonomous units to coalesce into a Central federation without losing their individuality rather than for a huge institution to branch off into subordinate units or rather parts, with centralised management. Every member of a Co-operative Society

NOTE—Contn. Sheet.

WD 9284—GPB—30,000—13-8-37

Limit of membership of Co-operative Societies

File No. 11 4.	of 1936	General and Revenue Secretariat

Society should have a direct voice in the mangement of his institution and the sort of indirect representation as has been proposed has no place in Co-operation. Indeed, it is this well accepted principle that is at the back of the strict law against proxy voting in Co-operative Societies.

(2) Now, regarding the draft rule, I think the following would be suitable:-

"In the case of any Urban co-operative society, other than a Stores Society, the membership of which has, in the opinion of the Registrar, become unwieldy, the Registrar may, after hearing the objections, if any, of the society concerned, direct that further admissions be stopped or fix the maximum strength of membership for the said society. From an order passed by the Registrar under this rule, an appeal shall lie to Government within two months from the date of the communication of the order to the society concerned."

OFFICE OF THE SECOND MEMBER OF CO
11 APR. 1938
No. 2586

Registrar.

L.S.7/4.

(1) The rule may be published finally as suggested by the Registrar

9.4.38

(1 member)

11C/9.4.38

(2) Noted

12/4/38

12/4

Draft 11C/9/4

Limit of membership of Co-op Societies

File 33

3716

General and Revenue Secretariat — File No. 11 of 1936 — [App. F. III—2

Serial No.

Draft notification & Orders for approval

13/4/38

Secy. & G.)

16/4 Secy.

Issue 16/4

257 No. D 8263 & 26.4.38 The Complete Notifies the framing of rule regarding the limit of membership of Urban C.S.

No. D 8264 & 26.4.38. The Registrar of C.S. Copy of the above.

GENERAL & REVENUE SECRETARIAT

NOTE—Contn. Sheet.

WD 0284—GPB—30,000—13-3-37

Statement of objections arising out of
Rule 33 — Limit of membership

2B

I The Wyom Cooperative Institute

Substitute the words "may offer membership to the Society" for "bearing the objections, if any,"

II The City Coop Bank Wyom

1) See no reason why only certain number of persons alone should get the benefit and not others
2) Urban banks with large membership effect considerable economy in working expenditure, and have benefit of expert and technical experience. Hence oppose as the same is not to be

III The Wyom Cooperative Credit Societies Bye-laws Wyom

1) The draft rules do not contemplate make exception of these societies — where the business or Corporate finance, the membership should not be restricted
2) Small societies cannot afford to remunerate well paid and efficient staff and cannot pay for expert technical advice.
3) many people will hesitate to forcibly remove members from their role
4) Many fail in business and consequence loss to Central banks which would otherwise work well
5) Retirement of the staff to maintain secrecy in expenditure
6) by-laws final the resolution be left to the societies themselves (1)

IV The Gujarat Cooperative Societies Act

1) be no reason why there should be restriction in the number limited banks — for membership
2) Each society is the best judge to determine when & how the membership be increased
3) The law ~~should~~ to determine minimum and how it could be increased the scope for economy and efficient management
4) Official interference detrimental to the growth of the Cooperation

V. The Bhamragad Taluka Cooperative Store Union

1) Unrestricted freedom to the members in the Management according to their own personal views leading to unhealthy interference by an outside agency in the internal administration.
2) No limit need with the extension of the Store Society
3) Upto six digits.
4) System of division of profit into Dividend & Bonus adopted in large societies with membership.

VI The Cooperative Rural Union Bhamragad

1) Mutual interest and personal trust are not essential requisites in limited liability societies
a) Cooperation - Unlike a club nor a partnership but a substitute for capitalism.
b) Personal trust serve no purpose in consumer's or Producer's society nor in the People's Urban Credit which are only a variety of "Consumer's society"
c) In large towns it is not possible to know each other
d) It is only when the consumers are local that service to members can be satisfactory and efficient.
5 (a) The introduction of a body of representatives assembly between the shareholders and the committee will overcome the defect of large membership weakening the democratic spirit
(b) It is only the few leaders that preside over and have the management than all the members of the Rural body
c) Unless there is a large body of shareholders to form effective public opinion, there is no scope to understand the value of vote and it is only in bigger societies that such a thing can be found.

Efficiency is promoted by growth of membership and bigger societies afford for economy & efficiency

Petty societies cannot successfully compete with private money lenders or traders dealing with giant business.

IV (a) The belief that the purpose of cooperation will be defeated if the societies became money lenders cannot apply to town or city societies but can apply to only village societies - to all banking

(b) Division of societies - a bar to cooperation in urban areas.

(c) The ample powers of the Registrar to decide the strength of society will give him a hand etc to go into the inner working of the society - the State should trust the official hand in the provision

V Sri Krishnaswamy Joint Registrar Mysore

(a) Agrees the recommendations of the Committee regarding Non decline - the appeal does not make excellent with the Non decline

(b) Official extend agency cannot appreciate or judge the needs of the locality and decide the number

(c) Large membership tends to facilitate expert advice and efficient management

(d) Hits hard the societies in the cities of Bombay Mysore

(e) Heavy fall in transactions and the fall in the banking terms and habits of citizens

(f) Retrenchment in establishment - Restriction may therefore be left to individual societies.

VI The Secretary Cooperation Bombay

Support that the discretion be left to the societies as the restriction of limit of membership.

IX The Cooperative Staff Association Mysore

(a) Restriction in the limit of membership will tend to decrease the business knowledge and limit refusal upon similar institutions

(b) Even in large urban districts deposits of considerable amount are from the members restriction of means withdrawal of such deposit

(c) Better to have branches of the societies when membership is large. than restrict membership

(d) Large institutions lead to economy & efficiency

No. 5500 C.S.

GOVERNMENT OF MYSORE. (1)

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" BANGALORE

Dated, Bangalore, 5th January *193*7.

From

GULAM MOHIYUDDIN MEHKRI, ESQ., B.A., LL.B.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

C. S. 11-36-26

7 JAN. 1937

To

GENERAL SECRETARY 5 JAN. 1937

M.Venkatesa Iyengar,Esq.,M.A.,
General Secretary to the Government
of Mysore, B a n g a l o r e.

Sir,

I have the honour to invite kind reference to the recommendation of the Committee on Co-operation in Mysore on page 37 of their Report suggesting that the membership of an Urban Society be limited to 1,500 or with the special sanction of the Registrar to 2,000 on the ground that the membership should not be too unwieldy and that each share-holder should make his voice felt at the General Meeting and to state that for the reasons given, the recommendation of the Committee may be adopted though the minorities' view is in agreement with the opinion expressed by some of the Co-operators in the Madras Presidency. If the limit of membership is not to be restricted, then the area over which the institution operates may be divided into wards with local committees with power to send their representatives to the General Meeting, to discuss matters in detail at such meetings. But till this representative system is adopted to make the General Body more compact and really deliberative, the suggestion of the Committee may be approved.

I have the honour to be,
Sir,
Your most obedient servant,

M. G. [illegible]
Registrar. 5/1/37

L.S.5/1.

Appendix F. G.—1]

SUBJECT

Section. G.S.
File No. 11-36
Serial No. 75.

No. D 6023.

Diary No. of letter replied to

To

The Registrar C.S.

General and Revenue Secretariat.

( )

the *193*

Sir

With reference to your letter No 5500 dated 5/1/37 in the matter of limiting the membership of Urban Cooperative Banks, I am directed to request you to kindly send a list of Cooperative institutions the membership of which has reached or is likely to reach the limit prescribed

Date of issue 12-3-37

Signed by Mr. K. Subba Rao.

List of enclosures

Copied by

Examined by

Thro etc
G
9-3-37
Secretary

7798

C.S.

GOVERNMENT OF MYSORE.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address: "CO-OPERT" BANGALORE.

C.S.11-36-82 *Dated, Bangalore,* 27 March 193 7

From

GULAM MOHIYUDDIN MEHKRI, ESQ., B.A., L.L.B.,
Registrar of Co-operative Societies in Mysore,
Bangalore.

GENERAL SECRETARIAT 27 MAR 1937

To

V.Vedvyasacharya,Esq.,B.A.,
General Secretary to the Government
of Mysore, Bangalore.

Sir,

With reference to your letter No.D.6023/C.S.11-36-75 dated 10th March 1937 requesting me to send a list of Co-operative Societies whose membership has reached or is likely to reach the limit of 1,500 proposed by the Committee on Co-operation, I have the honour to note below the names of such Co-operative Institutions, as desired.

I have the honour to be,
Sir,
Your most obedient servant,

M. S.

Registrar.

L.S.24/3.

1. The Mysore City Co-operative Society,Ltd.,
2. The Mysore City Co-operative Bank,Ltd.,
3. The Chamarajapuram Co-operative Stores,Ltd., Mysore.
4. The Mysore Sri Krishnarajendra Co-operative Society,Ltd.,
5. The Mysore Palace Central Co-operative Society,Ltd.,

P.T.O.

6. The Bangalore City Co-operative Bank,Ltd.,
7. The Malleswaram Co-operative Bank,Ltd.,Bangalore City.
8. The Mysore Mills Co-operative Society,Ltd., Bangalore.
9. The Bangalore Central Co-operative Bank,Ltd.,
10. The Shimoga Co-operative Bank,Ltd.,

****

12 Copies

G. R. S. App. F XI—G 2]

5

SUBJECT .....

.....

.....

Diary. No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

Date of issue 22-4- ...193 7.

Signed by Mr K. Subba Rao

May this be—

(i) printed?

(ii) treated as a standing order?

(iii) published in the Gazette, English Part?

(iv) translated?

(v) placed at the disposal of the press?

(vi) published in the Gazette, Kannada Part?

Section 65

File No. 11-36

Serial No. 103.

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read— The following recommendations of the Committee on Cooperation in regard to the limit of membership of urban Co-operative Societies.

Where the membership of an urban bank exceeds a general limit of 1500 (or with the Order thereon.—No. special permission of the Registrar 2000) further admissions should be stopped the needs of the new applicants being served by the formation of an additional bank and the sphere of operations of the two institutions defined so as to avoid overlapping

6

Correspondence ending with letter

No 7798 dated the 27th March 3?

forwarding his views on the matter and

from the Registrar of Co-operative Societies

Re the representative system of

dividing the district into wards

with local committees with powers

and their representatives to the general

meeting is adopted to make the general

body more compact the duplication of

the Committee may be avoided

Order D 7033.

Govt are in agreement with the

Committee as regard the principle

underlying the recommendation

they are however of opinion that

any restriction as to the maximum

membership of societies should be

on a territorial rather than a numerical

basis. The special circumstances of

societies which have a fairly homogeneous

membership have to be considered.

The situation at present does not call for the

List of Enclosure

Copied by

Examined by

WD 03602—GPB - 22,500—12-7-25

G. R. S. App. F. G. 3.

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

some of any hard and fast rule in the matter. The Registrar is requested to watch the development of those heights which have reached or which are on the point of reaching the limits proposed by the Committee and take needful action as occasion arises.

J. Greig
13.4.37

To The Registrar C.S.

~~The Chairman, Committee on Cooperation~~

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read

The following recommendations of the Committee on Co-operation in regard to the limit of membership of urban Co-operative Societies:

"Where the membership of an urban bank exceeds a general limit of 1000 (or with the special permission of the Registrar 2000) further admissions should be stopped, the needs of the new applicants being served by the formation of an additional bank and the sphere of operations of the two ~~extra~~ Institutions defined so as to avoid overlapping".

Correspondence ending with letter No.7798 dated the 27th March 1937 from the Registrar of Co-operative Societies forwarding his views in the matter.

Order No. D 7033/CS II-36-103.

Dated, Bangalore, 20th April 1937.

Government are in agreement with the Committee as regards the principle underlying the recommendation. They are however of opinion that any restriction as to the maximum membership of societies should be on a territorial rather than on a numerical basis. The special circumstances of societies which have a homogeneous membership have to be considered. The situation at present does not call for the issue of any hard and fast rules in the matter.

The Registrar is requested to watch the development of those societies which have reached or which are on the point of reaching the limits proposed by ~~the~~ the Committee and

and take needful action as occasion arises.

K Seshadri

for General Secretary to Government.

To

The Registrar of Co-operative Societies in Mysore.

~~The Chairman, Committee on Co-operation.~~

ACH.12.

40

App. F VI G 10.

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS

P. B. No. 25/Enl
30-4-37.

G. O. No. D 7033/Cl. 11-36-103 DATED 22/4/37

May this be

i. printed ? Yes

ii. treated as a standing order ? Yes

iii. published in the Gazette English Part ?

iv. translated ?

v. placed at the disposal of the press ?

iv. published in the Gazette Kannada Part ?

} No

Limit of membership of Cooperative Societies

Passes orders on the recommendation of the Committee on Cooperation in regard of the

30.4.37

29/4/37

S. O.

Government of his highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. D. 7033—C. S. 11-36-103, dated 20th—22nd April 1937.

Limit of Membership of Co-operative Societies.

Passes orders on the recommendations of the Committee on Co-operation in respect of the ——.

READ—

The following recommendations of the Committee on Co-operation in regard to the limit of Membership of Urban Co-operative Societies :—

"Where the Membership of an Urban Bank exceeds a general limit of 1,500 (or with the special permission of the Registrar 2,000) further admissions should be stopped, the needs of the new applicants being served by the formation of an additional bank and the sphere of operations of the two institutions defined so as to avoid overlapping."

2. Correspondence ending with letter No. 7798, dated the 27th March 1937, from the Registrar of Co-operative Societies, forwarding his views in the matter.

ORDER No. D. 7033—C. S. 11-36-103, DATED BANGALORE, THE 20TH—22ND APRIL 1937.

Government are in agreement with the Committee as regards the principle underlying the recommendation. They are however of opinion that any restriction as to the maximum membership of societies should be on a territorial rather than on a numerical basis. The special circumstances of societies which have a homogeneous membership have to be considered. The situation at present does not call for the issue of any hard and fast rules in the matter.

2. The Registrar is requested to watch the development of those societies which have reached or which are on the point of reaching the limits proposed by the Committee and take needful action as occasion arises.

M. VENKATESA IYENGAR,
Secretary to Government,
General Department.

To—The Registrar of Co-operative Societies in Mysore.

Exd.—C. K.

WD 2042—GPB—475—10-5-37

Appendix F G—1]

SUBJECT .....

.....

.....

Section bs

File No. 11-36

Serial No. R

Diary No. of letter replied to.....

No. D 2797

To

The Registrars

Sir

I am directed to invite refer
to ~~this Office letter~~ No D 1113/bs.11-36-
144 dated 31-7-37 ~~accepting away~~
~~otherwise the recommendation of the~~
~~Committee~~ re the limit of membership
in urban Cooperative institutions,
~~and stating that action will be taken~~
~~to prevent such enrolment~~ the
~~Registrar in the Industry~~ and to
request you to ~~apply~~ supply ~~suitable~~
~~draft rules~~ to give effect to the orders of

General and Revenue Secretariat

( )

the 193

Date of issue 2.10.37

Signed by Dr. K. Subba Rao

also I request
you to submit
draft rules to give
effect to the decision
that the Registrar shd
be empowered to stop
further admissions of
individuals in districts
where the ~~Union~~ membership
has become unwieldy and to
direct the formation of additional
districts for those areas

List of enclosures.....

Copied by.....

Examined by.....

I have etc
for
Secy to G.A.D.

C.S.11-36-187 2037 94

9 OCT. 1937

GOVERNMENT OF MYSORE.

No. 2852 C. S.

DEPARTMENT OF CO-OPERATION.

OFFICE OF THE REGISTRAR OF CO-OPERATIVE SOCIETIES IN MYSORE.

Telegraphic Address "CO-OPERT" Bangalore

SECY. LOCAL SELF GOVT. 9 OCT 1937 GOVT. OF MYSORE.

Dated Bangalore, 5th October *193* 7.

FROM

M. ABDUL HUKH, ESQ., B.A.,
Registrar of Co-operative Societies in Mysore,
BANGALORE.

To

P.H.Krishna Rao, Esq., M.A.,
Secretary to the Government of Mysore,
Local Self Government Department, Bangalore.

Sir,

As desired in your letter No.D.2797/C.S.11-36 dated 2nd October 1937, I have the honour to note below draft rules so as to limit the membership in urban co-operative institutions.

Rule 33. "The Registrar may in his discretiion, limit the maximum strength of membership in any urban co-operative society, and communicate such limit to the society in writing for stopping further admissions. It shall not then be open to the society to admit any person to membership beyond the limit so fixed by the - - Registrar."

I have the honour to be,
Sir,
Your most obedient servant,

Registrar.

L.S.8/10.

Appendix F G—1]

SUBJECT .....

.....

.....

Section 6.S.

File No. 11-36

Serial No. 200

No. D 3453

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193*

Date of issue..... 9-11-37

Signed by Mr P. H. Krishnaraj

List of enclosures.....

Copied by .....

Examined by.....

Notification

Under the powers vested in them by section 44(2)(vi) of the Mysore Co-operative societies regulation of 1918, as amended from time to time, the Govt of H.H. the Maharaja of Mysore are pleased to publish for general information the Draft rule regarding the limit of membership in urban Co-operative institutions.

Any suggestions or objections to the proposed rule may be sent to the Secy. L.S.G. within two months from the date of publication of this notification in the Mysore Gazette after which the proposals will be taken up for consideration.

Any suggestions received after the due date will not be considered by Govt

Para 25 of the Note (vide encl) ✓

(Also enter the approvals in ~~the B.O~~)

B.O

From 28/10

Lee. Ldg

28.10.37

To

The Compiler Lawyer forgets for publication in Part IV of the forgets with the request that 25 copies of the same may be sent to this office

Memo D 3456.

Copy of the above is forwarded with Compts to the Asst Cy. for information with reference to his letter No 2052 dated 8/10/37

B.O

From ~~28/10~~

Lee. Ldg

28.10.37

Off rule as finally accepted

Rule 33.

In the case of any urban society the membership of which has, in the opinion of the Registrar, become unwieldy the Registrar may, after hearing the objections, if any, of the society concerned, direct that further admissions be stopped or fix the maximum strength of membership for the said society. From an order passed under this rule an appeal shall lie to Government within two months from the date of communication of the order to the society concerned."

GOVERNMENT OF HIS HIGHNESS THE MAHARARAJA OF MYSORE

GENERAL AND REVENUE SECRETARIAT.

No. D 3455/L.S.II-36-200 Dated, Bangalore, the 8th November 1937.

NOTIFICATION.

Under the powers vested in them by Section 44 (2)(Q) of the Mysore Co-operative Societies Regulation of 1918 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following draft rule regarding the limit of membership in urban Co-operative institutions:-

Any suggestions or objections to the proposed rules may be sent to the Secretary, Local Self Government within two months from the date of publication of this Notification in the Mysore Gazette after which the draft rule will be taken up for consideration.

Any suggestions received after the due date will not be considered by Government.

~~DRAFT RULE AS FINALLY ACCEPTED~~.-

33. "In the case of any urban society the membership of which has, in the opinion of the Registrar, become unwieldy the Registrar may, after hearing the objections, if any, of the society concerned, direct that further admissions be stopped or fix the maximum strength of membership for the said society. From an order passed under this rule an appeal shall lie to Government within two months from the date of communication of the order to the society concerned."

By Order,

Sd/- P.H. Krishna Rao,
Secretary to Government,
L.S.G. Department.

The Compiler, Mysore Gazette, for publication in Part IV c the Gazette with the request that 25 copies of the same m be sent to this office.

K.M.R.12.

Memo No. D 3456 Dated, 8th November 1937.

Copy of the above, is forwarded, with compliments, to the Registrar of Co-operative Societies in Mysore, for informatio with reference to his letter No.2852 dated 8th October 1937.

By Order,

Secretary to Government,

NOTIFICATION.

No. D. 3455—*C. S.* 11-36-20?, *dated Bangalore, the* 8—9*th November* 1937.

Under the powers vested in them by Section 44 (2) (Q) of the Mysore Co-operative Societies Regulation of 1918 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to publish for general information the following draft rule regarding the limit of membership in Urban Co-operative Institutions.—

Any suggestions or objections to the proposed rules may be sent to the Secretary, to Government, Local Self-Government Department, within two months from the date of publication of this Notification in the *Mysore Gazette* after which the draft rule will be taken up for consideration.

Any suggestions received after the due date will not be considered by Government.

33. "In the case of any urban society the membership of which has, in the opinion of the Registrar, become unwieldy the Registrar may, after hearing the objections, if any, of the society concerned, direct that further admissions be stopped or fix the maximum strength of membership for the said society. From an order passed under this rule an appeal shall lie to Government within two months from the date of communication of the order to the society concerned."

By Order,

P. H. KRISHNA RAO,
Secretary to Government,
Local Self-Government Department.

Printed by the Superintendent at the Government Press, Bangalore.

C.S. 11-36-207

18 NOV. 1937

THE MYSORE CO-OPERATIVE INSTITUTE

NO. 1, HARDINGE ROAD, CHAMARAJPET

BANGALORE CITY

Dated 16th November 1937.

The Secretary to Government,
Local Self-Government Department,
Bangalore

Sir,

With reference to the Government Notification No. D.3455-C.S.11-36-200 dated, Bangalore, 8-9th November '37 regarding the limit of membership in urban co-operative institutions published in the Mysore Gazette dated 11th November 1937 for general information, I have the honour to state that the Governing Body of the Institute have resolved at their meeting held on Sunday the 14th November 1937 as follows:

"That the Governing Body is of opinion that the rules as suggested may be adopted with this modification, viz., that words "may after consulting the society" be used for "hearing the objections, if any".

I have the honour to be,
Sir,
Your most obedient servant,

Secretary.

The City Co-operative Bank, Limited, Mysore.

Established in 1910

NEW CURZON PARK ROAD,
MYSORE,

All Communications to be addressed to "THE HONORARY SECRETARY"

In reply please quote No. 9456

Dated, 27 DEC 1937

2672 CEV. BRCH, 3508

To

The Secretary to Government,
Local Self Government Department,
Bangalore.

Sir,

B.S. 11-36-218

Ref:- Objections to draft rule Nos.33 and 6-B published in Mysore Gazette dated 11-11-37 and 18-11-37 framed under Sect.44 of the Mysore Co-operative Societies Regulation of 1918.

I have the honor to bring to your kind notice a few of the points to substantiate the objections regarding the said draft rules and at the same time suggesting certain modifications to the same.

I have the honor to be,

Sir,

Your mostobedient servant,

Encl: one

HN.26/12.

Hon. Secretary.

The receipt of objections to the rules from others will be awaited till 20/1/38 and the objections will be considered thereafter. The period of two months fixed for receipt of objections will be over on 20th Jan'38. Action for the issue of a final notification will be taken after this date.

5/1/38

Draft Rule No.33

The proposed rule does not make any differentiation between Credit Societies and Stores Societies. It is conceded on all hands and accepted by eminent authorities that there should be no restriction of membership in Stores Societies. Hence Stores Societies should be exempted from the operation of any such rules.

Regarding Credit Societies

It is one of the main principles of co-operation, if not an essential one, that there should be no restriction of membership. When a co-operative institution is a thriving one, we do not see any reason why only certain number of persons alone should get the benefit of such an institution and why others should be deprived of it.

The object of the proposed rule seems to be to prevent unwieldy membership which ~~will~~ may be detrimental to the proper working of the society. But the remedy suggested does in no way improve the matter. An external agency cannot thoroughly appreciate the working of each individual institution so as to remedy the defect.

Urban societies of large membership would effect considerable economy in the working expenditure, besides getting the benefit of expert and technical advice in efficient management.

As a matter of fact, four of the important urban co-operative societies in Mysore City and a good enough number in Bangalore already have a membership of about 3,000 and the proposed rule would work unspeakable hardship to those efficiently working institutions.

Hence we are

Hence we are of opinion that the proposed rule is not salutary. The matter i.e., the restriction of membership may be left to each individual institution, the Managing Committee of which will be quite capable of dealing with the matter.

DRAFT RULE NO.6-B.

This rule and the proposed rule No.33 are interdependant, but while not favouring with rule No.33 this Bank is in entire agreement with the spirit underlying the rule 6-B so far as preventing a member from borrowing in more than one society and that beyond his repaying capacity. But rule 6-B as proposed is fraught with difficulties and hardships noted below:-

1. While a credit society excludes stores societies there are different types of credit societies doing

1. Purely Banking,
2 Banking combined with stores in general, &
3 Banking combined with Trade confined to particular commodities.

Each type of society has its own advantages peculiar to itself and not to be found elsewhere While indiscriminate borrowing must be discouraged is against all co-operative principles of thrift to compel a man to forego the benefit he would derive from his membership in different types of societies combining Banking with Stores. Hence this Bank suggests a proviso noted below.

2. Members thathave borrowed in more than one credit society would find it impossible to adjust all their dues in another society at the stroke of the pen. Therefore

Therefore while a member has every right to select the particular credit society for his credit transactions he mustbe given reasonable time to discharge his existing liabilities in other societies without freshly borrowing there and for this purpose during the interium period his membership in other credit societies will have to be continued only for the purpose of enabling him to discharge his existing liability there.

The enforcement of the proposed rule would hit smaller societies hard as commong members naturally prefer to continue their memberships and deposits in a more flourishing institution.

This Bank is not in favour of the phrase "without the general or special sanction of the Registrar", which may, therefore, be deleted. And the power to direct both the societies to remove a member from membership would work unspeakable hardship and therefore if a member,after reasonable notice, does not select the particular society, the Registrar may direct his removal from any one of the societies, but not from all.

Therefore this Bank suggests,

1. The deletion of the phrase "without the general or special sanction of the Registrar"

2. The deletion of the expression "or both" of the last sentence of the first para of the rule and add the following proviso:- Provided that a member being a member of a credit society and another credit society combined with stores may be given the option

to confine

to confine his Banking transactions to one credit society and his trade transactions to the other and with this modification he may be permitted to continue his membership in these two types of credit societies.

Proviso (3). A member having borrowed in more than one credit society shall be given the option to select the society in which he wishes to continue as a member and if he has borrowed in other society, he may be permitted to continue his membership in other societies only for the purpose of discharging his existing liabilities during the originally stipulated period.

For The City Co-operative Bank Ltd., Mysore

HN.

Hon: Secretary.

3571

ESTD: 1923.

The Graduates Co-operative Society, Ltd.,

MYSORE.

All communications to be addressed to the Hon. Secretary.

C.S. 11-36-222

No. 227

Dated January 5th, 1938

To

The Secretary to the Government of
His Highness the Maharaja of Mysore,
Local ~~Self-Government~~ Department,
Bangalore.

Dear Sir,

With reference to Notification published in the Mysore Gazette dated 11th and 18th November 1937 re.draft rules for the amendment of Rules 33 & ~~34~~ 6(b) of the Rules under the Mysore Co-Operative Societies' regulations and calling for suggestions or objections in the matter, I write to inform you that Draft Rule 33 was considered by the Managing Committee of this Institution at its meeting held on Monday the 3rd January 1938 and Rule ~~34~~ 6-B was considered by the General Body of Members of this Society at an Extra-ordinary meeting convened for the purpose on Sunday the 19th of December 1937. Copies of Resolutions passed in this behalf are enclosed herein for further action.

p.t.o.

A copy of the proceedings of the General Body meeting is also enclosed for information and reference.

Yours faithfully,

Srinivasa murthi.
C.V. Ramaswamy
Hon. Secretaries.

President.

Rule 33.

Resolution of the Managing Committee dated 3rd January 1938.

(9)Consideration of Draft Rules ~~canvassed below~~ published in the Mysore Gazette dated 11th November 1937 regarding the restriction of number of members in Urban Co-Operative Societies.

Resolution.

1)This Society sees no reason why there should be any restriction in the number of membership, particularly of Urban limited liability societies.

2)Each Society and its General Body are the best judges to determine when and how the membership had become unwieldy and how to remedy the situation.

3).The larger the number the greater is the scope for economy and efficient management.

4)Official interference and restriction on such matters is detrimental to the growth of true co-operation.

Hiriyana murthi.
C.Ramaswamy
Hon. Secretary

President.

THE GRADUATES' CO-OPERATIVE SOCIETY, LTD.,
MYSORE.

(Continued.)

Rule ~~6~~. 6(b)

The members of the Graduates' Co-Operative Society, Ltd., Mysore, in their Extra-Ordinary General Meeting assembled, resolve as follows on the proposed Draft Rule ~~6~~ 6-B published in the Mysore Gazette dated 18th Nov. 1937.

1) That this Rule is in their opinion undesirable and even harmful in the case of urban Limited Co-Operative Societies.

2) That while it is desirable to prevent the abuse of credit by persons in more than one society, it is advisable to leave the matter to be regulated by the Bye-laws of the Society.

moved by

The resolution ~~of~~ Mr. Doraswami Iyengar was seconded by Mr. P. Subbaraya Sastri. It was then put to vote and was carried by a huge majority, only one voting against.

Hon. Secretaries.

President.

Proceedings of the Extraordinary General Body meeting of the GRADUATES' CO-OPERATIVE SOCIETY LTD., Mysore held on Sunday the 19th December 1937 at 4 p.m. in the hall of the Co-operators' Home, Chamaraja Road, Mysore.

CHAIRMAN: M.Lakshminarayana Rao Esq. B.A.,B.L.,

No. of members present: Forty-two.

The first item on the Agenda viz. the consideration of Draft Rule 6 - B, proposed by the Government and published in the Mysore Gazette dated 18th November 1937, was taken up for discussion. The Honorary Secretary read for the information of members the Draft Rule and the recommendations of the Co-Operative Enquiry Committee on the subject.

Messrs. M.R. Doreswamy Iyengar and P. Subbaraya Sastry opened the debate. While opposing the said Draft Rule, they explained to the House the practical inconvenience that would be caused to honest co-operators by the passing of such a rule and vehemently urged that the General Body of the Graduates' Society should protest against the passing of the Draft into a Rule.

Then Mr. T. Srinivasa Murti, one of the Honorary Secretaries, read his note on the Draft Rule in which he clearly showed why a member resorts to loans from several institutions and how the procedure adopted by the co-operative societies in the City does not give room to members for borrowing recklessly; He expressed his opinion that if such a Rule is brought into force without a careful consideration of its effects upon members, societies and depositors, it would cause very great damage to many small institutions which are working on true Co-operative lines, and would certainly interfere with the normal and healthy development of the movement in Mysore.

Messrs. M.V. Jambunathan and Y. Srinivasiah, speaking in favour of the spirit of the Draft Rule, urged that the Government in passing the same intends to eradicate an inherent evil viz. indiscriminate borrowing by a person from all the institutions of which he happens to be a member and thus ultimately ruining himself. Mr. Jambunathan however, said that the Draft Rule required some modifications viz. the substitution of the words "any other society dealing exclusively in credit" for the words "any other society".

The president then placed the following Draft resolution for the consideration of the House:-

"While generally agreeing with the principle underlying the Draft Rule 6 - B proposed by Government, the members of the Graduates' Co-operative Society Ltd., Mysore, in Extra Ordinary General Meeting assembled, are of opinion that the object intended will be better served by restricting the right of borrowing to one society at a time instead of restricting the membership to one institution."

In support of this resolution the president explained vividly how the practice of allowing members to borrow in various institutions had led to great evils. From his experience as the Director of a number of institutions in the City he was able to say how the facile credit supplied by the Co-operative Societies had been misused by the members. He therefore felt that it was desirable to place restrictions upon the borrowings of a member. At the same time he was strongly against the restriction of membership of a person to one society; for to many members it would mean the painful duty of severing connection from several institutions with the development of which they had intimately associated themselves and those institutions will lose the benefit of

the experience and services of such people. So he said that all the objects would be served by a resolution of the kind proposed by him.

But, Mr. P.Subbaraya Sastry spoke against the draft resolution in as much as he was not for the restriction regarding the members' right to borrow contained in the said draft resolution. Mr. D.M.Seshagiri Rao also spoke against the draft resolution and said that no restriction need be placed regarding the members' right to borrow.

Mr. M.A. Doraswamy Iyengar then pointed out how the fears expressed by some regarding the dangers of multiple membership were purely imaginery and said that till now no society had either felt or expressed any difficulty in the matter. He showed how such an all-embracing rule made purely from the point of view of a small class of reckless borrowers would visit hard upon the large number of honest co-operators who would ultimately be led into the clutches of money lenders once again . Moreover such a rule would also result in the loss to the societies of the valuable services of the non-borrowing members who have done much for the cause of co-operation in the city. He said that, if there is a need for preventing the abuse of credit, it could be achieved by suitable alterations in the bye-laws of the society or by some Federal agency as in Bombay. And so he proposed the following resolution for the consideration of the house:-

"The members of the Graduates' Co-Operative Society Ltd., Mysore, in their Extraordinary General Meeting assembled, resolve as follows on the proposed Draft Rule 6 - B published in the Mysore Gazette dated 18th November 1937.

1) That this Rule is in their opinion undesirable and even harmful in the case of urban limited co-operative societies.

2) That which it is desirable to prevent the abuse of credit by persons in more-than one society, it is advisable to leave the matter to be regulated by the Bye-Laws of the Society."

The resolution of Mr. Doraswamy Iyengar was seconded by Mr. P. Subbaraya Sastry. It was then put to vote and was carried by a huge majority, only one voting against it.

Hon. Secretaries.

President.

The Shimoga Co-operative Bank, Limited,

44

SHIMOGA,

Ref. No. 1077 11-1 36

Date 10th January 38.

C.S. 11-36-229.

3716/D

The Secretary to Government,
Local Self-Government Departments,
BANGALORE.

Sir,

Re. Notification No.L.3455/C.S.11-36-200 dated 8/9th Nov. 37.

I have the honor to send herewith the opinion of the Bank. The Bank is of opinion that the discretion and authority to limit should vest in the Society affected and that there should be no imposition of authority from without in this respect. Hence the undermentioned form may be the rule:-

"In the case of any Urban Society the membership of which has, in the opinion of its directors become unwieldy, the directors may direct that further admissions be stopped or fix the maximum strength of membership for the said society."

I have the honor to be,
Sir,
Your most obedient servant,

Hon. Secretary.

Appendix F G—1]

SUBJECT.....

.....

.....

Section 65

File No. 11-36

Serial No. 257

No. D8263

Diary No. of letter replied to.....

General and Revenue Secretariat

( )

the *193* .

Date of issue 26.6.38

Signed by .....

Notification

In exercise of the power vested in them by Section 46 (2)(q) of the Mysore Cooperative Societies Act of 1918 as amended from time to time the Government of His Highness the Maharaja of Mysore are pleased to frame the following rule regarding the limit of membership of urban Cooperative Societies.

Rule 33. (Here enter the rule marked in Para 10 of the note)

By order

[illegible]

16/6

K.S. 14/4 Secy. to Govt.

List of enclosures.....

To the Controller Mysore Gazette for publication in Part IV of the Gazette in English & Kannada with the request that 250 copies of each of the notifn. in English & Kannada

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mens be sent to the Registrar Cs. and
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Copy of the above answers
with Compliments to the Registrar of
Cooperative Societies in Cyprus
for information

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Legislation

47

Government of His Highness the Maharaja of Mysore,
General and Revenue Secretariat.

No. D 8263/Cs. 11-36-257 Dated, Bangalore, the 22nd April 1938.
26

NOTIFICATION.

In exercise of the powers vested in them by Section 44 (2) (q) of the Mysore Co-operative Societies Act of 1918 as amended from time to time the Government of His Highness the Maharaja of Mysore are pleased to frame the following rule regarding the limit of membership of urban Co-operative Societies. ~~Rule 33:-~~

Rule 33:-

"In the case of any Urban co-operative society, other than a Stores Society, the membership of which has, in the opinion of the Registrar, become unwieldy, the Registrar, may, after hearing the objections, if any, of the society concerned, direct that further admissions be stopped or fix the maximum strength of membership for the said society. From an order passed by the Registrar under this rule, an appeal shall lie to Government within two months from the date of the communication of the order to the society concerned."

By Order,

Secretary to Government,
Local Self-Government Department.

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette in English and Kannada with the request that 250 copies of each of the notification in English and Kannada may be sent to the Registrar of Co-operative Societies and 100 copies each to this office.

C.L.P.12.

48

Government of His Highness the Maharaja of Mysore,
General and Revenue Secretariat.

No. L 8263/S. 11-36-257 Dated, Bangalore, the 22nd April 1938.
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Sd/- By Order Krishna Rao,

Secretary to Government,
Local Self Government Department.

The Compiler, Mysore Gazette, for publication in Part IV of the Gazette in English and Kannada with the request that 250 copies of each of the notification in English and Kannada may be sent to the Registrar of Co-operative Societies and 100 copies each to this office.

Memo No. L 8264 Dated, 22nd April 1938.
26

K.M.R.12.

Copy of the above, is forwarded, with compliments, to the Registrar of Co-operative Societies in Mysore for information.

By Order

For Secretary to Government.
L.S.G. Department.

K.M.R.2.

NOTIFICATION.

No. D. 8263—*C. S.* 11-36-257, *dated Bangalore, the 26th April* 1938.

In exercise of the powers vested in them by section 44 (2) (q) of the Mysore Co-operative Societies Act of 1918 as amended from time to time, the Government of His Highness the Maharaja of Mysore are pleased to frame the following rule regarding the limit of membership of Urban Co-operative Societies.

Rule 33 :—"In the case of any Urban Co-operative Society, other than a Stores Society, the membership of which has, in the opinion of the Registrar, become unwieldy, the Registrar may, after hearing the objections, if any, of the society concerned, direct that further admissions be stopped or fix the maximum strength of membership for the said society. From an order passed by the Registrar under this Rule, an appeal shall lie to Government within two months from the date of the communication of the order to the society concerned."

By Order,

P. H. KRISHNA RAO,

Secretary to Government,

Local Self-Government Department.

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